

VHPA EXPENDITURE GUIDELINES



Version 3.0

Guidelines for the Expenditure of VHPA Funds

The following guidelines are to assist the VHPA Committee in the decision making process for funding expenditure requests and to assist Clubs in understanding what information will be required in order for funding requests to be properly considered.

Ratified: 20th August 2012

VHPA Expenditure Guidelines

GUIDELINES FOR THE EXPENDITURE OF VHPA FUNDS.

OVERVIEW

The VHPA is a source of funding for HGFA affiliated clubs ('clubs') and HGFA certified pilots ('pilots') within Victoria. As such, it is important that guidelines be followed to ensure that funds are appropriately distributed and allocated for the immediate and long-term benefit of the sport.

With the increased requirement to provide funding forecasts to the HGFA, it is important that the VHPA Committee have funding guidelines to assist with the decision making process with regard to short-term and long-term funding requests.

Moving forward, the VHPA encourages clubs to seek funding well in advance of when funds will be required and to use these guidelines as a means of better ensuring requests are properly considered.

STATEMENT OF PURPOSE

All funding requests should be checked against the VHPA's Statement of Purpose, as published on the VHPA web site (<http://www.vhpa.org.au/Files/VHPA%20Statement%20of%20Purpose.pdf>).

The VHPA's Statement of Purpose (as at 18-Aug-2008) is as follows:

- Represent generally the views of clubs and persons connected with Hang gliding, Paragliding, Weight Shift Microlighting and allied sports within Victoria.
- Coordinate and promote the development, progress and advancement of the sports.
- Promote and support the acquisition, development and maintenance of launch and landing sites for the sports within Victoria, as appropriate.
- Promote and support competitions, contests, tests and records for the sports, as appropriate.
- Promote and support training, coaching and instruction in the sports, as appropriate.
- Promote, support and enforce, via escalation to the appropriate authorities and the HGFA, safety standards and procedures, engineering standards and procedures, flying and proficiency standards and all other matters relating to the safety and protection of members, participants, spectators and property, as appropriate.
- Promote a favourable image of the sports to government at all levels and to public bodies.

Any funding request that falls within the definitions of the above statement of purpose will be considered by the VHPA.

EXPENDITURE TYPES

There are two types of expenditure the VHPA has to allow for.

1. Operational Expenditure,
2. Project Expenditure.

Operational Expenditure

The term “operational expenditure” equates to the many relatively modest or annually recurring funding requests that are received from time-to-time by clubs. Some typical examples of operational expenditure items are as follows:

- Pilot training and development courses (e.g., first aid courses, skills clinics, etc.);
- Maintenance of launch and landing sites, ramps and access roads;
- Purchase or maintenance of weather boxes;
- Postage, telephone calls and travel related expenses for VHPA business;
- Other pilot and site related expenses as appropriate.

Some Operation Expenditure items will be known in advance and can be anticipated in the budget. For example, First Aid courses typically happen on a bi-annual basis for clubs.

In addition, some Operation Expenditure items will not be known in advance but can be estimated within the VHPA budget by considering past expenditure in previous financial years. For example, postage, telephone and travel related expenses.

Finally, some Operational Expenditure items will not be known and not be estimable in advance due to unforeseen circumstances. The VHPA Budget should contain some contingency in order to allow for reasonable unanticipated Operational Expenditure.

Process for approval of Operational Expenditure

1. Request for funds by Victorian HGFA affiliated clubs of less than \$2000 can be considered under the process of Operational Expenditure. (NB: Requests for funds from individual pilots will not be considered but must be forwarded as part of a submission by a club.)
2. Submissions should be made by clubs as far in advance as possible of when the funds will be required, ideally a minimum of four (4) weeks prior to the next VHPA scheduled committee meeting.
3. Late submissions and submissions for reimbursement of funds already spent will be considered. However, clubs should be made aware that the VHPA will not guarantee funding reimbursements and/or funding for monies already committed by clubs.
4. All funding requests must be submitted in writing (i.e., post, email or fax) detailing the following:
 - a. Reason for funding;
 - b. Amount required;
 - c. Date funds required by;
 - d. Funds being contributed by club(s);
 - e. Funds being contributed from other sources (e.g. donations, grants, etc.)
 - f. Any other information supporting funding request.

- g. Funding request should specify the expenses towards which VHPA funding is requested, and the percentage of those expenses to be contributed by each interested party (for example a club might request funding for 100% of the fee of a first aid trainer, or for the fee to be funded with a 3-way split between the VHPA, the club and the individuals receiving the training, but not "the first \$2000 of the cost of the funding request, with the club funding the rest")**
5. All funding requests will be considered by the VHPA against the following criteria, as per the VHPA Statement of Purpose:
- Does the funding request help promote or support safety standards and procedures, engineering standards and procedures, flying and proficiency standards and any other matters relating to the safety and protection of members, participants, spectators and property of the sport within Victoria?
 - Does the funding request further the development, progress and/or advancement of the sport within Victoria?
 - Does the funding request help promote or support the development or maintenance of launch or landing sites within Victoria?
 - Does the funding request help promote or support competitions, contests, tests and records for the sport within Victoria?
 - Does the funding request help promote or support training, coaching and instruction for the sport within Victoria?
6. In addition to the above, the VHPA has a fiscal responsibility to the VHPA members to ensure that adequate funds are available for future or pending projects. Therefore, the following criteria should also be considered:
- Are there adequate funds within the VHPA accounts to support the funding request and meet future obligations;
 - Is the request within the anticipated amount budgeted for such requests for the current financial year?
 - Funding for regular operational expenses such as training courses may be within the bounds of fiscal responsibility in one year but, with increasing demand and depending on the VHPA fiscal position at the time, may not be sustainable in subsequent years. Clubs can help mitigate these limitations by considering how to spread the gains to more of the flying community, for example through training of local trainers, video of techniques, which can be presented at club meetings, etc.**
7. The decision to provide or not provide funding for the funding request will be communicated to the respective club in writing via the club representative or club president. The decision will also be reflected in the minutes of the VHPA meeting.
8. The VHPA reserves the right to impose conditions or request clarifications for any funding request, as appropriate and as decided by the VHPA at the time of consideration. All conditions and/or clarification requests will be communicated to the respective club in writing via the club representative or club president. The same will also be reflected in the minutes of the VHPA meeting.

Project Expenditure

The term “project expenditure” equates to the large scale project work or longer term funding requests that are either received from clubs or proposed by the VHPA itself. These funding requests are generally not annually recurring. Some typical examples of operational expenditure items are as follows:

- Major launch or landing site upgrades or improvements;
- Major purchases of equipment or assets;
- Major improvements or development of supporting facilities;
- Any other project or purchase requiring significant planning, management and assessment of successful completion.

All project expenditure requests must be considered well in advance of the anticipated start date, as appropriate for the respective project.

Process for approval of Project Expenditure

1. Request for funds by Victorian HGFA affiliated clubs of greater than \$2000 can be considered under the process of Project Expenditure. Requests of less than \$2000 can also be considered as a Project Expenditure if the VHPA Committee decides that the expenditure warrants the additional scrutiny project expenditure requests entail. (NB: Requests for funds from individual pilots will not be considered but must be forwarded as part of a submission by a club or by the VHPA itself.)
2. Submissions should be made by clubs as far in advance as possible of when the funds will be required, ideally a minimum of three (3) months.
3. Late submissions and submissions for reimbursement of funds already spent will be considered. However, clubs should be made aware that the VHPA will not guarantee funding reimbursements and/or funding for monies already committed by clubs.
4. All funding requests must be received in writing (i.e., post, email or fax) detailing the following:
 - a. Reason for funding including tangible benefits, business case etc.;
 - b. Amount required;
 - c. Date funds required by;
 - d. Funds being contributed by club;
 - e. Funds being contributed from other sources (e.g. donations, grants, etc.);
 - f. Expected achievable outcomes or goals of funding;
 - g. Strengths, Weaknesses, Opportunities, Threats (S.W.O.T) analysis;
 - h. Key Performance Indicators (KPIs) for funding (if any);
 - i. Ongoing support funding and maintenance requirements (if any);
 - j. Exit Strategy (if applicable).
5. All funding requests must be formally presented to the VHPA in person (either by the VHPA club representative or by the person managing the project within the club.)
6. All funding requests will be considered by the VHPA against the following criteria, as per the VHPA Statement of Purpose:
 - a. Does the funding request help promote or support safety standards and procedures, engineering standards and procedures, flying and proficiency standards and all other matters relating to the safety and protection of members, participants, spectators and property of the sport within Victoria?

- b. Does the funding request further the development, progress and/or advancement of the sport within Victoria?
 - c. Does the funding request help promote or support the development or maintenance of launch or landing sites within Victoria?
 - d. Does the funding request help promote or support competitions, contests, tests and records for the sport within Victoria?
 - e. Does the funding request help promote or support training, coaching and instruction for the sport within Victoria?
 - f. What will be the impact on the VHPA Budget and what will be the effect on existing contingent liabilities?
7. In addition to the above, the VHPA has a fiscal responsibility to the VHPA members to ensure that adequate funds are available for future or pending projects. Therefore, the following criteria should also be considered:
 - a. Are there adequate funds within the VHPA accounts to support the funding request and meet future obligations?
 - b. Is the request within the anticipated amount budgeted for such requests for the current financial year?
 - c. Does the project benefit all, or the majority of pilots?
 - d. Does the project provide future, free, or minimal cost, access to all, or the majority of pilots?
8. The decision to provide or not provide funding for the funding request will be communicated to the respective club in writing to the club representative or club president. The decision will also be reflected in the minutes of the VHPA meeting.
9. Upon the VHPA agreeing to provide project expenditure funding, the following persons may be appointed if the VHPA Committee believes necessary:
 - a. Project Manager – usually the club appointed person responsible for overseeing the project;
 - b. VHPA Project Liaison Officer – a member of the VHPA Committee responsible for liaising with the Project Manager and responsible for reporting back to the VHPA Committee;
 - c. Safety Liaison Officer – a member of the VHPA Committee responsible for ensuring that the project meets VHPA safety criteria and requirements;
10. Upon the VHPA agreeing to provide project expenditure funding, depending on the size and complexity of the project, the Project Manager may provide an outline of how the project will be managed and what methodology (if any) will be employed.
11. Upon the VHPA agreeing to provide project expenditure funding, the VHPA may agree how much tolerance will be allowed for the completion date and cost of the project. For example, a project of \$10,000 which is expected to be completed in 6 months may be allowed a tolerance of \$1000 and 3 months. If either of these tolerances are exceeded then the VHPA may review the project and determine if further funds or time is required and whether the VHPA should continue funding the project.
12. It is recommended that Projects be assigned a Status so that the VHPA Committee has visibility of the project's progress and its effect on pending expenditure. The various status are as follows:
 - a. Initial Proposal,
 - b. Under Review,
 - c. Approved - In Principle,
 - d. Approved - Commence Work,

- e. Rejected,
- f. Postponed,
- g. Completed.

The VHPA reserves the right to impose conditions or request clarifications for any funding request, as appropriate and as decided by the VHPA at the time of consideration. All conditions and/or clarification requests will be communicated to the respective club in writing to the club representative or club president. The same will also be reflected in the minutes of the VHPA meeting.

Project expenditure requests can be placed in a “Project Pipeline” so that funding can be provided in a controlled and manageable manner. The position of each project within the pipeline will be determined by:

- The anticipate date the project needs to commence;
- Other contingent liabilities and the ability of the VHPA to meet existing funding obligations.